



0000035810

## BEFORE THE ARIZONA CORPORATION COMMISSION

25H

COMMISSIONERS

2005 DEC 20 P 2:45

JEFF HATCH-MILLER Chairman

WILLIAM A. MUNDELL

MARC SPITZER

MIKE GLEASON

KRISTIN K. MAYES

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
FAR WEST WATER AND SEWER COMPANY,  
AN ARIZONA CORPORATION, FOR A  
DETERMINATION OF THE FAIR VALUE OF ITS  
UTILITY PLANT AND PROPERTY AND FOR  
INCREASES IN ITS RATES AND CHARGES FOR  
UTILITY SERVICE BASED THEREON.

DOCKET NO. <sup>WS</sup>SW-03478A-05-0801RATE CASE PROCEDURAL ORDER**BY THE COMMISSION:**

On November 1, 2005, Far West Sewer Company ("Company") filed an application with the Arizona Corporation Commission ("Commission") requesting an increase in its rates for sewer utility services.

On November 22, 2005, the Residential Utility Consumer Office ("RUCO") filed an Application to Intervene, which was granted by Procedural Order of December 2, 2005.

On December 2, 2005, the Commission's Utilities Division Staff ("Staff") docketed a letter informing the Company that its application was sufficient, and classifying the Company as a Class B utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **July 11, 2006, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, 1200 West Washington Street, Arizona 85007.

IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **June 29, 2006, at 2:00 p.m.**, or as soon thereafter as is practical, at the Commission's offices, for the purpose of scheduling witnesses and the conduct of the hearing.

IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before **April 4, 2006**.

1 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at  
2 hearing on behalf of intervenors shall be reduced to writing and filed on or before **April 4, 2006**.

3 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented  
4 at hearing by the Company shall be reduced to writing and filed on or before **May 2, 2006**.

5 IT IS FURTHER ORDERED that surrebuttal testimony and associated exhibits to be  
6 presented at hearing by the Staff or intervenors shall be reduced to writing and filed on or before  
7 **June 6, 2006**.

8 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be  
9 presented at the hearing on behalf of the Company shall be reduced to writing and filed on or before  
10 **June 20, 2006**.

11 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
12 been prefiled as of **June 20, 2006**, shall be made before or at the **June 29, 2006** pre-hearing  
13 conference.

14 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents listing  
15 the issues discussed.

16 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
17 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is  
18 scheduled to testify.

19 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the  
20 pre-filed testimony of each of their witnesses and shall file each summary at least two working days  
21 before the witness is scheduled to testify.

22 IT IS FURTHER ORDERED that copies of summaries shall be served upon the Presiding  
23 Officer, the Commissioners, and the Commissioners' aides as well as the parties of record.

24 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
25 except that all motions to intervene must be filed on or before **March 17, 2006**.

26 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
27 regulations of the Commission, except that: until **March 24, 2006**, any objection to discovery  
28

requests shall be made within 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and responses shall be made within 7 days of receipt. The response time may be extended by mutual agreement of the parties involved if the request requires an extensive compilation effort. No discovery requests shall be served after **June 23, 2006**.

IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel discovery, any party seeking discovery may telephonically contact the Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and that the party making such a request shall contact all other parties to advise them of the hearing date and shall at the procedural hearing provide a statement confirming that the other parties were contacted.<sup>2</sup>

IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by the Commission within 10 days of the filing date of the motion shall be deemed denied.

IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of the filing date of the motion.

IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date of the response.

IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in this matter, in the following form and style, with the heading in no less than 12 point bold type and the body in no less than 10 point regular type:

**PUBLIC NOTICE OF HEARING ON THE APPLICATION OF FAR  
WEST WATER AND SEWER COMPANY FOR AN INCREASE IN  
ITS SEWER RATES  
Docket No. SW-03478A-05-0801**

On November 1, 2005, Far West Water and Sewer Company ("Applicant") filed an application with the Arizona Corporation Commission for an increase in rates for its sewer utility services only. Applicant has proposed an increase in revenues of 35.2 percent, which, if approved, would result in an increase in rates for the average residential sewer customer of 29.94 percent. The rates ultimately approved by the Commission may be higher or lower than those proposed by Applicant. The

<sup>1</sup> "Days" means calendar days.

<sup>2</sup> The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

Commission's Utilities Division Staff and any intervenors will file their initial recommendations by April 4, 2006, and may propose rates that are higher or lower than the rates requested by Applicant. However, neither Applicant's proposal nor other recommendations are binding on the Commission, which will make an independent decision following a hearing and public deliberation at an Open Meeting. Copies of the application and proposed tariffs are available at Applicant's offices [APPLICANT INSERT ADDRESS HERE], and at the Commission's offices in the Docket Control Center for public inspection during regular business hours. Alternative recommendations and proposals which may be filed by other parties to the proceeding will also be available at those locations for public inspection during regular business hours. All filings made in this docket will be available on the internet via the Commission's website, [www.azcc.gov](http://www.azcc.gov), using the e-Docket function.

The Commission will hold a hearing on this matter beginning at **10:00 a.m. on July 11, 2006**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comment will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Applicant or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom documents are to be served in your place, if desired.
2. A short statement of your interest in the proceeding (e.g., a customer of Applicant, a shareholder of the Applicant, etc.).
3. A statement certifying that a copy of your motion to intervene has been mailed to Applicant or its counsel and to all parties of record in the case. (Names and addresses of parties of record are available at the Commission's offices in the Docket Control Center.)

Arizona Administrative Code R14-3-105 governs the granting of intervention, except that all motions to intervene must be filed on or before March 17, 2006. The granting of intervention, among other things, will entitle an intervenor to present sworn evidence at hearing and to cross-examine other witnesses, and to be mailed copies of all filings made in the case. You do not need to intervene in order to appear at the hearing and make a statement for the record, or to file written comments in the record of the case.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may write the Consumer Services Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007, call 1-800-222-7000, or appear at the hearing and provide comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602/542-3931, E-mail [lhogan@azcc.gov](mailto:lhogan@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

1 IT IS FURTHER ORDERED that the Company shall mail to each of its customers a copy of  
2 the above notice as a bill insert beginning with the first billing cycle in **February, 2006**, and shall  
3 cause the above notice to be published at least once in a newspaper of general circulation in its  
4 service territory, with publication to be completed no later than **February 15, 2006**.

5 IT IS FURTHER ORDERED that the Company shall file certification of mailing and  
6 publication as soon as practicable, but not later than **March 10, 2006**.

7 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and  
8 publication of same, notwithstanding the failure of an individual customer to read or receive the  
9 notice.

10 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
11 Communications) applies to this proceeding and shall remain in effect until the Commission's  
12 Decision in this matter is final and non-appealable.

13 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
14 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

15 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
16 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

17 Dated this 20<sup>th</sup> day of December, 2005

18  
19  
20   
21 TEENA WOLFE  
ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed  
23 this 20 day of December, 2005 to:

24 Norman D. James  
Jay Shapiro  
25 FENNEMORE CRAIG  
3003 North Central Avenue, Ste. 2600  
Phoenix, AZ 85012  
26 Attorneys for Far West Sewer Company

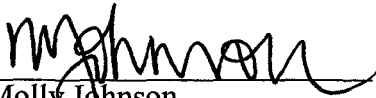
27 Scott S. Wakefield, Chief Counsel  
RUCO  
1110 West Washington Street, Ste. 220  
28 Phoenix, AZ 85007

1 Christopher Kempley, Chief Counsel  
2 Keith Layton, Attorney  
3 Legal Division  
4 ARIZONA CORPORATION COMMISSION  
5 1200 West Washington Street  
6 Phoenix, AZ 85007

7 Ernest G. Johnson, Director  
8 Utilities Division  
9 ARIZONA CORPORATION COMMISSION  
10 1200 West Washington  
11 Phoenix, AZ 85007

12 ARIZONA REPORTING SERVICE, INC.  
13 2627 N. Third Street, Suite Three  
14 Phoenix, Arizona 85004-1104

15 By:

16   
17 Molly Johnson  
18 Secretary to Teena Wolfe  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28